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June 29, 2017

Gerard Poliquin, Secretary of the Board,
National Credit Union Administration,
1775 Duke Street,
Alexandria, Virginia 22314-3428

RE: Comments on Proposed Voluntary Merger Rules

Dear Mr. Poliquin,

I am writing in support of the proposed new voluntary merger rules for Federally-insured credit unions, 12 CFR Parts 701, 708a and 708b.

While we have been the recipient of 3 voluntary mergers in the past 16 years, all have been done with transparency to our members and the members of the merging credit unions. And in all cases, we were approached by the merging credit union. We have never solicited a merger partner in the history of our credit union.

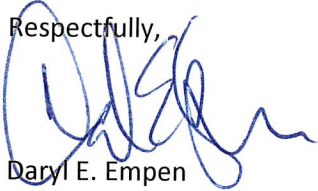
While mergers are sometimes necessary, the pace of strategic mergers in recent years and the aggressive approach taken by some credit unions has become alarming. We have seen large credit unions seek out potential merger partners, not just locally but across the states or large geographic regions, with no local affiliation or common bond of membership. While I cannot vouch for any compensation offered, or "golden parachute" to the management of the merging credit union, this is surely part of the transaction, and should be disclosed.

Most importantly, I feel there should be stronger notice requirements given to both the merging credit union members, and the remaining credit union members also. Often, the notice requirements for any special meeting are very antiquated. It is easy to comply with the letter of the law, but not the spirit. Members should have both adequate notice of the merger and special meeting, and have an opportunity to question the management and the reasoning behind the recommendation to merge. I would go so far as to say any merging credit union should put forth an RFP to interview several credit unions to ensure that they are truly doing what is in the best interests of their membership, and not just taking the easiest, most convenient route to see a merger through. But that is up to each individual credit union. At the minimum, they should be required to give adequate notice – posted in branches, on their website, email notification to members, and on social media if they have a presence – to their members, and to be able to defend the decision to their member-owners in person. Any financial compensation paid to management or the CEO should also be disclosed as part of this process.

I fear that we are losing our soul as a movement. Credit Unions are incredibly unique in the financial marketplace. Member-owned, not for profit, financial cooperatives. I recognize the need for growth to remain sustainable. But the insatiable appetite for growth at all costs, with a common field of membership all but obliterated, is making our unique structure disappear. When we are no longer transparent with our member-owners, then we lose one more defining trait as a movement.

I fully support any effort by the NCUA to make voluntary mergers more transparent and to engage our member-owners more fully in this process.

Respectfully,



Daryl E. Empen

President/CEO

Gas & Electric Credit Union

Rock Island, IL

\$74 million in assets/5500 members.